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**President's Report
to the
Regents of the University of Minnesota
Nils Hasselmo
January 10, 1997**

Mr. Chair, Ladies and Gentlemen of the Board, with the formal signing ceremony on January 6, we have completed an eighteen-month process of negotiations concerning our affiliation with, and the sale of the University Hospital to, the Fairview Health System. The Fairview-University Medical Center is now a reality, providing the University's Academic Health Center with a new model of patient care, teaching, and research that reflects and addresses the new realities of managed health care. Without this new model, it was clear that the University Hospital would not be viable within the foreseeable future. With the new model, the AHC's teaching and research programs will continue to serve and have access to patients and will benefit from the new partnership with the Fairview Health System.

This has been an extraordinarily complex process, breaking new ground virtually every step of the way. I want to express my deep appreciation to Associate Vice President Carol Carrier, AHC Provost Frank Cerra, Hospital Board of Governors Chair Michael Dougherty, Hospital Counsel Keith Dunder, Senior Vice President JoAnne Jackson, Fairview Project Executive Secretary Maureen Lally, Human Resources Consultant Jeannette Loudon, Hospital Board of Governors Finance Committee Chair John Morrison, University Hospital General Director Peter Rapp, and General Counsel Mark Rotenberg for their leadership of many, many others in developing and negotiating the several agreements on which this historic affiliation is based.

• Information Technology •

This month's report on information technology by Associate Vice President Don Riley made it abundantly clear that the University of Minnesota is committed to playing a leadership role in the digital revolution. That's not new, of course; over the past fifty years, the University's teaching, research, and technology transfer leadership has been key to Minnesota's computer and supercomputer industries.

More recently, our investments in the Minnesota Supercomputer Institute, the digital telecommunications system, and fiber optic connections have given our faculty and students access to unrivaled computational power.

Providing electronic mail addresses to all students, developing software for multi-media instructional technologies, developing the "Gopher" search engine for the Internet, developing the Crookston campus as the first in the nation to require laptop computers for all students and using them in all classes, and developing comprehensive, Website-based student services systems are examples of genuine University leadership in the 1990s.

For the rest of the 1990s and into the 21st century, the pace of change in information technology will advance dramatically. So will the absolute necessity to prepare our students to use computers, to develop our information technology infrastructure, to replace obsolete hardware, software, and administrative systems, and to provide effective training for faculty and staff. That's why our four-year financial framework and legislative request places high priority on information technology.

The University of Minnesota's leadership in information technology is now reflected in being the first university system in the country to announce a requirement of personal computers for all students—all levels, all fields. Having a computer and using a computer effectively are two different things, and the latter will depend on comprehensive training, across the curriculum, with major emphasis on the practical needs of the workplace and the vital importance of lifelong learning.

In research, current and future Minnesota leadership is reflected in our faculty's success in attracting such grants and contracts as the NSF-funded "vBNS" connections program to develop the next generation of the Internet and the SEAL Lab to develop secure systems for international financial transactions through United Nations Global Trade Point Network. Through public-private partnerships, our faculty continue to develop and expand such information technology facilities as the Supercomputer Center and the Laboratory for Computational Science and Engineering.

In outreach, the Minnesota Extension Service's "Access Minnesota" has opened 56 public access sites, bringing the Internet—and training—to Minnesota communities. Through the Metropolitan Educational Telecommunications Network (MetNet) and the other five regional networks of the Learning Network of Minnesota, the state is developing a strong new infrastructure for interactive distance learning.

The demand for accelerated development of information technologies is by no means limited to the mission activities of teaching, research, and outreach. We have committed ourselves to replacing, or significantly improving, nearly all of the University's central administrative systems over the next four years. We would have to do much of this simply to deal with the inherent problems of old computer systems recognizing the year 2000. That, by itself, could be a \$15 million cost, and if we only solved that problem, that large expenditure would yield no added value, leaving the same old processes and problems.

Instead, we have embarked on an integrated administrative systems redesign initiative, with five major projects now underway:

- the Student 2000 System for student services; Fall, 1998

- the Human Resources Management System; Start phasing in Fall '98
- the enhanced Grants Management System; End of 1997
- the Financial Management System; and Start phasing in 1998
- the Office of Information Technology Infrastructure Readiness project.

These new systems will:

- support redesigned processes and productivity enhancement;
- enable a new service model, network-based self-service;
- support planning, performance, and marketing; and
- better support students, staff, and faculty.

The administrative process redesign goals are to:

- simplify policies and procedures;
- streamline workflows;
- reduce support staff needs;
- reduce overall cycle times;
- provide one-stop and seamless services;
- provide user-friendly support and service;
- establish a performance oriented approach to program and service delivery; and
- increase administrative accountability.

These make up a challenging agenda, all the more so because these projects must be fully integrated. That's why we have formed a senior level project management team, charged with coordinating the successful outcomes of all these projects:

Enterprise Systems Leadership Team

Don Riley (Chair) - Associate Vice Pres. & Chief Info. Officer

Terry O'Conner - University Controller

Bob Kvavik - Associate Vice Pres., Academic Affairs

Carol Carrier - Associate Vice Pres., Human Resources

Ed Wink - Associate Vice Pres., Office of Research and Technology
Transfer Administration

• **Roger Paschke** •

Associate Vice President and Treasurer Roger Paschke is leaving the University to become Senior Vice President and Chief Financial Officer of O.I.L. Management Services LTD, an insurance company in Bermuda. He is also leaving an outstanding legacy of accomplishments and a very large number of University and community friends who hold him in the highest regard.

If Roger's achievements for the University were measured only by successes in investment management, he would have to be recognized for having an extraordinary impact on this university. Under his management, the University's invested assets grew from less than \$200 million to more than \$1 billion. That, however, is too limited a measure, because his people skills are every bit as impressive as his investment skills.

Over the past eighteen years, Roger has been responsible for, or instrumental in, an incredible array of projects: the Fairview affiliation; the Student Accounts Receivable System; the capital budgeting system; the Steam Plant project; the U Card; the Coca Cola contract; the U of M Federal Credit Union; the sports facilities renewal projects; Quality Management; the administrative process redesign projects; the study of future public-private partnerships; and most or all of the Facilities Management, auditing, and financial management information systems reforms. These are solid accomplishments, thanks very much to Roger's abilities, but even in the most controversial of these projects, Roger has earned the personal respect and admiration of virtually everyone involved. He has set an exemplary standard for University administration, and we will miss him.

• External Auditor's Management Letter •

We recently received the 1996 management letter from Coopers and Lybrand. It was most gratifying to see acknowledged the progress we have made in strengthening our management control infrastructure, not only in terms of the many actions we have taken, but also demonstrated tangibly by the actual audit results. For the first time in their seven year engagement with the University of Minnesota, Coopers and Lybrand did not identify any new Reportable Conditions this year. In addition, all but one of the Reportable Conditions from previous years were determined to be fully addressed.

This is very good progress. We must sustain this progress and work to improve even further. To that end, I remain committed to implementing the Integrated Framework internal control model. We are in the process of developing action plans to advance this effort, as well as ensuring that all of the auditor's recommendations are promptly addressed.

**President's Report
to the
Regents of the University of Minnesota
Nils Hasselmo
February 13, 1997**

Mr. Chair, Ladies and Gentlemen of the Board, I will have other occasions to speak to Regents Anderson, Kim, and Sahlstrom, but I would like to make just a brief comment at this time.

• Regents Anderson, Kim, and Sahlstrom •

This transition that occurs from time to time on the Board should remind us that the kind of governance we have in American public universities, where citizens step forward as volunteers to take on the enormous challenge of helping to guide our major institutions, is not a world-wide phenomenon. This is a specifically American phenomenon. I'm very proud that we are able to work within that kind of tradition.

Secondly, the three Regents who are now in this transition represent in many ways what this kind of citizen leadership is. We have Regent Anderson who has been a leader reaching high office within our political system, and who has come to the Board with that experience and brought it to bear on the challenges of the University. We have Regent Kim, a business woman, an immigrant, and a representative of people of color, who has come with her range of experiences and brought them to bear on the affairs of the University. We have Regent Sahlstrom, who is an educator and who has worked in so many ways within the University to help build it from the inside, and who then stepped out of his official administrative roles and became another one of the citizen leaders to serve on this Board. You have all brought enormous values to this institution, and the citizens of Minnesota should be deeply grateful to you, as we are, for your willingness to take on these challenges.

And thirdly, you have served not only with your minds, but you have truly served with your hearts, and it has been a privilege to serve with you. Thank you.

• Recognition of the 1997 McKnight Land-Grant Professors •

This is one of the annual occasions when we have the opportunity to recognize distinguished faculty members, the 1997 class of McKnight Land-Grant Professors.

The goals of the McKnight Land-Grant Professorship Program are to strengthen the University's faculty for the future, to advance the careers of our most promising junior faculty at a crucial period in their professional lives, to develop their potential to make significant contributions to their scholarly fields, and also to foster an *esprit de corps* among these future faculty leaders, along with a sense of loyalty to the University.

The McKnight Land-Grant Professorship is a two-year appointment that includes a research grant of approximately \$20,000 in each of the two years, to be used at the recipient's discretion for expenditures directly related to their research. In addition, each holder of the Professorship is awarded either a supplementary research grant or a year's leave to pursue research during the second year of the award. For recipients on nine-month appointments, the Graduate School provides up to two months' summer salary in each of the two summers.

The first class was initiated in 1987, and in the intervening ten years, 94 junior faculty members have been recipients of this distinguished honor. These special faculty members, being among our best, are highly sought after by other institutions. I'm very pleased to note that only 10 of the 94 have left Minnesota for other institutions, though we have been in stiff competition for this kind of talent. Many of the early recipients are now full professors and department heads, and the impact of this program has been enormous and cannot be overstated. We are truly building for the future through this program.

The program was established in the mid-1980s with a gift from the McKnight Foundation, combined with a share of the Permanent University Fund. I especially want to acknowledge the continuing interest and support for all of the McKnight Professorship Programs from the current McKnight Foundation Executive Director, Regent Michael O'Keefe.

1997 Recipients

John C. Bischof, Mechanical Engineering; Ph.D., University of California-Berkeley

Linda M. Boland, Physiology; Ph.D., University of North Carolina

Kristin A. Hogquist, Laboratory Medicine and Pathology; Ph.D., Washington University

Catherine Liu, French and Italian; Ph.D., City University of New York

Richard M. Price, Political Science; Ph.D., Cornell University

Andreas Stein, Chemistry; Ph.D., University of Toronto

• Faculty Collective Bargaining Elections •

The last of a series of union elections has been held, and faculty in the various bargaining units have rejected unionization as means of representation—with a very slim margin in the case of the faculty in the Arts, Sciences, and Engineering and the Professional Studies, who voted over the last couple of days.

I think we all recognize that we have issues here, concerning the nature and effectiveness of the interaction that we have with the faculty. This is a signal that requires that we, as an administration, and that you and I, as a Board, evaluate how we can interact effectively with the faculty. This is an opening—this is a call—for that kind of reassessment and renewal of the shared governance function. In many ways, shared governance has worked splendidly, but under the pressures of the tremendous change agenda that you as a Board end up driving, it has been subjected to special strains and stresses.

I will be sharing further comments with the University community through a column in the March issue of *Kiosk* and a letter to the faculty, which is appended to this report.

• Legislative Hearings •

The reception at the legislature has been very positive. We've had great opportunities to engage the legislature in discussions of the University. There is, I think, a growing understanding, both of the fact that the University is making progress under University 2000, in undergraduate education, in research and graduate and professional education, and in outreach, but also in the fact that the University has investment needs that are quite legitimate if the state is going to pursue an agenda that will take it into the future as a strong economy and a strong society.

We have had joint hearings with MnSCU and the Private College Council, talking about collaboration, and I think that the legislators were impressed by the extent to which we do collaborate across the systems. That's a very cost-effective way for us to conduct business and provide opportunities for students, and we are exploring collaboration on a continuous basis. Right now, looking at the future of the metropolitan area, where the number of high school graduates is going to go from 30,000 to 35,000 or 36,000 within the next four or five years, we are looking specifically at how we can jointly provide higher education opportunities in the metropolitan area.

We have had technology demonstrations, and Michael Handberg's demonstration of student information technology continues to be a great success story.

We will soon have opportunities to present in detail the biennial request that you approved last October, putting forward compensation, especially faculty compensation, as a very important issue, investments in technology, investments in selected program development, and investments in maintenance. Those were the four major categories that you instructed us to take to the legislature, and we're doing that, building on a positive Governor's recommendation, which we hope to use as a baseline for some additional funding.

• Portland and Seattle Events •

I was in Portland and Seattle with Jerry Fischer, Margaret Carlson, and Dean Tom Sullivan of the Law School for a series of Alumni Association and Foundation events. In Seattle, Jerry Shulkin (CLA '51) hosted a luncheon that included Dick Hanson (CLA, '81), Linda Hanson (International Relations, '83), Dr. Sally Hasselbrack (CHE, '77), Dr. Ernie Tanzer (Dentistry, '40), and Jim Johnson, (IT, '66). We also gave a special award to the Boeing Company which employs over 300 U of M alumni and which has been very generous to us. In Portland, we had the pleasure of meeting with former President and Mrs. O. Meredith Wilson, as well as young "Met" Wilson. The Wilsons remain very interested in the University and send their greetings. In both cities, the reception by northwest coast alumni was very positive.

Appended: Letter to Twin Cities Faculty

UNIVERSITY OF MINNESOTA

Office of the President

202 Morrill Hall
100 Church Street S.E.
Minneapolis, MN 55455-0110
612-626-1616
Fax: 612-625-3875

February 14, 1997

To: Twin Cities Faculty
From: Nils Hasselmo, President *Nils*
Subject: The Meaning of the Unionization Election

The vote by the Arts, Sciences, and Engineering and Professional Studies faculties on the Twin Cities campus on February 11 and 12 did result in a slim majority favoring the continuation of our system of shared governance over collective bargaining. But, the closeness of the vote sends strong signals of distress, and serves notice that issues have to be addressed if the faculty are going to continue to have faith in our time-honored system. What are the signals?

From my perspective, they include at least the following, issues which are not new but which have been placed before us with renewed urgency.

1. TENURE.

This issue has been an extremely divisive one over the past year, and was, of course, the direct cause of the filing of cards for a unionization election. The vote indicates that there is still a good deal of doubt that "the tenure wars are over." While I believe that the tenure code that has been adopted for some segments of the University by the Board of Regents is a sound one, based as it is on the principles recommended by the Faculty Senate last June and endorsed by me at that time, it is imperative that any remaining issues be resolved and a tenure code adopted on the basis of those principles for the entire University.

2. COMPENSATION.

The serious lag in faculty salaries — we're at the bottom of the list of the thirty top research universities in this country, which are our main competitors — is a matter of deep concern, and has been for some time. Efforts to deal with this other issue through internal reallocation have been quite insufficient, and there have been two salary freezes in the last five years. In preparing the biennial request for 1997-99, we place faculty salaries as our top priority, and we are vigorously pursuing this matter with the state. We must implement, and will implement, a significant salary increase, moving our faculty aggressively toward the mean of the top research universities for the plan that was prepared last year.

3. ACADEMIC PRIORITIES.

An agenda for change at the University has been established under *University 2000*, driven by strong academic priorities. It is very important that we continue to make sure that our heavy change agenda is indeed driven by strong academic priorities, and it is very important the changes made be seen as being so driven.

4. FACULTY GOVERNANCE.

The vote clearly is only a tentative one. It gives our system of shared governance one more chance to prove itself. It is imperative that we rededicate ourselves to an effective shared governance system, one that brings together the Board of Regents, the administration, and the faculty. It is imperative that this be done in a way that makes all segments of the faculty feel a part of the plans and actions that are taken by the University.

Through the establishment of critical measures for our various activities, it has been possible to demonstrate significant productivity and significant progress over the past few years. The *Undergraduate Initiative* has, through strong faculty action, begun to truly transform the undergraduate experience, especially on the Twin Cities campus, and at Crookston. The major strategic investments that have been made in key areas of research and graduate education, including areas in the Health Sciences, the Arts, Sciences and Engineering, and Professional Studies, have begun to show clear dividends, in the form of improved rankings and increases in the highly competitive sponsored research budget. The infusion of well over a hundred new endowed chairs and professorships into the system through the generosity of our many donors has begun to provide us with a new cutting edge in many key disciplines.

Faculty should take great pride in these indications of very high productivity and of the willingness to meet the challenges of the future through constructive change. Clawing loose \$132 million from our state funds, about 25 percent of the total, over the past six years has been a difficult and painful process, but it has been done with strong faculty support. Pride in the achievements that are the result of all these actions will, I trust, at least in the long run make the accompanying difficulties and hardships worth the price.

I am working at this time with your elected faculty leadership to assess ways in which we can review and renew the shared governance system at the University of Minnesota. I know that the members of the Board of Regents share my strong desire to make sure that this system can meet the tests of the times, even the test of the heavy change agenda that the University has been pursuing and must continue to pursue.

I look forward to working with you toward those shared goals, as we have been working together over the past eight years under sometimes difficult circumstances.

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**President's Report
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Nils Hasselmo
March 13, 1997**

Mr. Chair, Ladies and Gentlemen of the Board, I would first like to call on Academic Health Center Provost Cerra to introduce one of our new deans, Dr. Michael Till, Dean of the School of Dentistry.

• Welcome to New Regents •

I want to welcome the new Regents who are joining the Board to an exciting adventure, challenging tasks, and the enormous enjoyment and satisfaction of working within and for this outstanding University and the endless riches that it offers to the State of Minnesota. You are very fortunate to have that opportunity, and we are very fortunate to have you step into your roles as Regents, so I welcome you on behalf of the administration.

• Report on the Legislative Session •

We already heard a report on the legislature, and I want to again echo the importance of having both the leadership that Donna Peterson is providing with her staff and the participation of faculty, staff, students, and Regents—and community people, the network of alumni who are engaged in making the case for the University of Minnesota. It's very pleasing that we have been able to get at the core issues that confront the University of Minnesota. We have spoken about the compensation plan that we have put before you as a preliminary plan, which we fully intend to recommend to you in June to address more aggressively our ability to recruit and retain the kind of outstanding faculty that we have. You see in the enrollment report what's happening with our students. They are flocking to the University, because we are reaching out to them more effectively, but ultimately they will stay with this University because we have outstanding faculty, and doing something about faculty compensation is such a central issue. Without distractions, we have been able to do something about that issue this year, and I am very pleased that that is happening.

• California Alumni Visits •

We have about 18,000 alumni in California, and we visited with about 250 a little over a week ago. Mr. Fischer was there from the Foundation, along with Director Margaret Carlson from the Alumni Association, the Chair of the Foundation, Louella Goldberg, and others. It was an enthusiastic group, including our Nobel laureate, Professor Ed Lewis, who received the Nobel Prize for Physiology a year ago. He gave a very moving account of why he came to the University of Minnesota and what the University of

Minnesota made possible for him, taking him ultimately to the highest honor that is bestowed on a scientist. The session was truly gratifying, and I bring you greetings from alumni who are not only enthusiastic, but also are voting with their dollars in support of this University.

• Enrollment Report •

The enrollment report that you heard is very important. It is one of those ways in which we can measure what is happening, and I think this a good barometer of what is happening with undergraduate students. Especially for new Regents who have not met him, I want to acknowledge Dr. Robert Kvavik. From 1989, when we started the Undergraduate Initiative, he has helped shape and lead that effort and implement many of the activities that have led to such progress. It is an initiative that has pervaded the University in many colleges, in curriculum reform, in teaching reform.

• Transition •

I am appearing—and this is very pleasant—with President-elect Mark Yudof in many different forums, including in the legislature, and I think we are going to be able to hand over the baton very smoothly, so there will be no slackening off in the race toward the future. It's been a pleasure to work with him, and things have been going well in that area.

• Men's Basketball •

You may have noticed that we do have a top-ranked basketball team—number one seed for the NCAA—now going on to Kansas City to bring more glory to the University of Minnesota. It's gratifying to see that happening, because it is happening not only as success in the athletic arena, but as success that sends a message about the quality of individuals and the quality of teamwork. That is what has caused such enormous enthusiasm. It isn't just another success in athletics; it's an aura that surrounds this team that sends a message we want to send about this institution—about the kind of leadership we want from our coaches, from our athletic directors, and from our athletes. We will also be reporting soon about some very encouraging statistics and positive trendlines about graduation rates and academic performance of our athletes.

Whatever happens in the NCAA tournament, we have been very well represented.

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**President's Report
to the
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Nils Hasselmo
April 11, 1997**

Mr. Chair, Ladies and Gentlemen of the Board, I appreciate very much the Board's warm reception to our new head coach of the Twin Cities campus women's basketball team, Ms. Cheryl Littlejohn.

For the last three years, Ms. Littlejohn has been first assistant coach and recruiting director for the Crimson Tide of the University of Alabama. During those three years, Alabama's women's basketball team has competed in three NCAA Sweet 16 tournaments. As a recruiter, she was recognized for back-to-back top-10 recruiting classes in 1995 and 1996, her second and third such successes. Her first top-10 recruiting class was in her first year in Division I coaching, at North Carolina State University, where she also served as first assistant coach.

Ms. Littlejohn's first career was in the U. S. Drug Enforcement Administration, following training at the FBI Academy and graduation from the University of Tennessee, Knoxville, with a B.S. in Criminal Justice. At Tennessee, she was a four-year letter winner, playing on three Final Four teams, an SEC Championship team, and the 1987 NCAA National Championship team. In 1986, she was named Academic All-SEC.

It's quite clear that not only the Board of Regents, but the entire state has a great taste for going to the Final Four, and I believe Coach Littlejohn will provide great leadership.

• Other Athletics Successes •

I want to recognize the outstanding contributions not only of our men's basketball team, which achieved national prominence for the University of Minnesota, but of our entire Twin Cities campus men's and women's athletics programs for the best competitive season the University of Minnesota has ever had. We are ranked 8th in the nation for overall athletic achievements, and at the same time our student athletes maintained high levels of academic achievement, beyond the rest of the undergraduate student body. I want to publicly acknowledge our gratitude to Athletic Director Voelz, Athletic Director Dienhart, Vice President Boston, and, of course, the coaches and student athletes.

• Kellogg Commission Report •

We are distributing copies of the report of the Kellogg Commission of the National Association of State Universities and Land-Grant Colleges (NASULGC). This report, *Returning to Our Roots: The Student Experience*, is the first in a series of six reports the Kellogg Commission

will issue over the next two years, as part of an effort by NASULGC to assess the future of state and land-grant universities. I hope that you use this report as a national benchmark of where we are, for example, with the Undergraduate Initiative. As you continue your discussions about where we should go, especially with undergraduate education, I hope this will be very helpful to you. I'm very pleased that one of the half a dozen examples of programs that are cited is the University of Minnesota's Residential College.

The Kellogg Commission report represents the perspectives of 25 current or former presidents of state or land-grant institutions about the challenges and opportunities facing American higher education.

The report suggests that institutions consider the following seven principles as value statements guiding institutions into the 21st century:

1. **A Learning Community.** *This university defines itself as a learning community, one that supports and inspires academic growth and learning among faculty, staff, students, and learners of all kinds, on-campus and off. Learning serves all of them; and all of them serve learning. Oriented around learners' needs, this university is committed to maintaining a first-rate environment for learning.*
2. **Access and Opportunity.** *As one of the public colleges and universities responsible for granting two-thirds of all the bachelor's degrees awarded in the United States, this institution is dedicated to maintaining the widest possible access to the benefits of a college education.*
3. **An Education of Value.** *This university will provide graduates with an education that fits them with the skills, attitudes, and values required for success in life, citizenship, and work or further education.*
4. **Containing Costs.** *This institution is dedicated to containing its costs.*
5. **Accountability.** *This institution is a prudent steward of public resources, conscious of the need to maintain and improve quality while containing costs. It will also investigate a variety of emerging mechanisms to assess the outcomes of the student experience.*
6. **Meeting New Needs.** *As telecommunications and other technologies revolutionize American life and many non-traditional students seek access to this learning community, this university is committed to developing distance-learning techniques and extended evening and weekend offerings to meet the widest variety of student needs.*
7. **Flexibility and Responsiveness.** *This institution is committed to developing new partnerships and collaborations and improving governance structures so that it can meet its teaching, research, and service obligations*

more effectively, work with its many stakeholders more efficiently, and respond to change and emerging needs more flexibly.

The Report suggests that institutions embrace seven associated action commitments:

1. ***We will revitalize our partnerships with elementary and secondary schools*** to create a seamless educational continuum that minimizes duplication, makes better use of scarce educational resources, eliminates the need for remedial instruction, and increases student satisfaction with the collegiate experience.
2. ***We will reinforce our commitment to undergraduate instruction, particularly in the first two years***, by re-examining general education requirements, encouraging greater faculty-student interaction, rewarding outstanding teaching, and fostering small interactive learning environments inside and outside the classroom.
3. ***We will address the academic and personal development of students in a comprehensive fashion*** by encouraging greater integration of academic and student services, improving academic planning and career exploration, developing more options for residential learning communities and service-learning opportunities, and working to assure that students can satisfactorily complete degree requirements in a timely way.
4. ***We will strengthen the link between education and career*** by encouraging business-academic partnerships to examine and restructure curriculum, incorporating new instructional techniques in the classroom, providing for continuing career and professional development, and insuring that our students continue to receive superior technical and professional assistance in developing the skills and competencies employers value—capacities to work in teams, solve problems, communicate clearly, and exercise ethical leadership.
5. ***We will strive for the highest quality educational experience for students while keeping college affordable and accessible*** by containing costs, studying and adopting appropriate new management practices, allocating savings to efforts to improve the quality of undergraduate teaching and learning, and seeking the assistance of public officials, friends, and alumni in maintaining the university's financial support.
6. ***We will better define for students and parents the educational objectives of our degree programs***, and we will work collaboratively with each other to design meaningful approaches for assessing student attainment of those learning objectives.
7. ***We will strengthen the link between discovery and learning*** by creating many more opportunities for undergraduates to participate in

seminar-style courses and enjoy direct experience with the processes of research.

I have shared this report with the Senate Committee on Educational Policy and asked the faculty leadership to evaluate the report and to use it as a way of benchmarking in their discussions of ways to improve the student experience.

• 1995-96 Annual Report on Interactive Television •

Given the increased attention to outreach and distance learning, I'm pleased to share some highlights of Distance Education Director Daniel Granger's annual report on the University of Minnesota Interactive Television Network.

- The number of courses offered via interactive television (ITV) has grown from 18 in 1992-93 to 93 in 1995-96, a 417 % increase.
- Enrollment in ITV courses has increased from 172 in 1992-93 to 2,075 in 1995-96, an 1106% increase.
- The University had 7 ITV facilities in 1992-93; we now have 26, a 271% increase.
- The ITV network has been the primary vehicle for the delivery of master's degree programs in Nursing, Social Work, and Education, with numerous undergraduate and graduate level offerings delivered throughout the state and to other CIC (Big 10 + Chicago) institutions.
- In most cases, the ITV network has been built upon existing facilities that were adapted for compressed video. The network links to the already established and highly successful UNITE system in the Institute of Technology.
- With the reorganization of University College, ITV will become better integrated with other forms of distance learning and outreach delivery.

• "Best Practice" Site for Technology in Student Services •

The University of Minnesota has been chosen as one of four "Best Practice" sites for innovative uses of technology for student services by the American Productivity and Quality Center (APQC). APQC is a consortium of 470 companies, government agencies, health care providers, and educational institutions, discovering and publicizing best practices.

Each of the four sites—the University of Minnesota, Oregon State University, the University of British Columbia, and the University of

Pennsylvania—will host visitors from other colleges and universities. Our site visit, April 15, features the University's World Wide Website, which includes course planning tools, on-line application and registration (more than 80% now register on-line), the electronic enrollment statement, course schedule, maps, fee schedule, final exam schedule, required books, faculty e-mail addresses, financial aid and budget planning, a personal time organizer, and access to final grades. Members of the Board have seen earlier demonstrations of some of these services, but the creativity of our staff, faculty, and students keeps adding new features that are easier to use. This national recognition by APQC is well earned, and even better practices are undoubtedly yet to come from our Student 2000 Project.

• Personnel •

With the Board's approval this month, Dr. Alfred Michael, Regents' Professor and Chair of Pediatrics, and, since last June, Interim Dean, now serves as Dean of the Medical School. We are most fortunate that he will continue in this leadership role. He is an international leader in research and treatment of kidney diseases, a University leader as Regents' Professor, and, over the past 10 months, a proven leader of the Medical School.

• The University Plan - 1997-98 •

The 1997-98 "University Plan," presented for review this month and approval in May, is the annual update of *University 2000*. It draws attention to changes in the environment that can affect the implementation of *U2000*, as well as to institutional initiatives that will be taken in the coming year. The plan also guides annual budgetary decisions and sets the planning parameters for all levels of University units for 1997-98.

The executive summary of the draft plan is appended, and the full text of the draft plan is available through the Office of Planning and Analysis World Wide Web homepage, <http://www.opa.pres.umn.edu/>

Appended:

Draft Executive Summary, University Plan - 1997-98

DRAFT--March 1997

The 1997-98 University Plan

EXECUTIVE SUMMARY

Mission Statement and Organization. The University's mission is threefold and includes research and discovery, teaching and learning, and outreach and public service. As a comprehensive research land-grant institution, the University of Minnesota carries out its mission on four-campus at Crookston, Duluth, Morris, and the Twin Cities; one collaborative center at Rochester; and through statewide outreach supporting the economic, social, and cultural development of the state.

Current Environmental Assessment. Many external and internal factors affect the future directions of the University of Minnesota. From an external perspective, the University can be proud of its national and international status as one of the nation's top 30 public and private universities; it currently ranks in the middle of these top 30 institutions. In the future, the University intends to improve its relative standing *vis-a-vis* the finest research institutions in the world.

Important external trends to which the University must be able to respond include:

- Increasing diversity of the state's population in both urban and rural settings, including increased racial/ethnic diversity and increases in both the elementary and secondary school populations, as well as the state's older population
- A changing economy and an increasingly high-technology world, requiring workers who are flexible, adaptable, and able to respond effectively to changing economic and technological circumstances
- Increasing interaction across national boundaries, requiring all citizens to have a better understanding of the history, customs, and cultures of other nations
- Increasingly complex technology, changing the delivery of educational programs from being highly site specific to being more market sensitive and oriented toward life long learning, and requiring the University to have technology development and application integrated into all of its mission activities
- Dramatic changes in the health care sector, resulting from a longer living populace, increasingly costly technology, and exponential growth in research and information

- Rural changes, requiring strengthened leadership in small communities; use of new agricultural techniques; increased understanding of the use of biological materials and their interactions with natural and human environments; increased use of technology; and responsiveness to a rapidly diversifying ethnic, economic, and vocational base
- Urban area opportunities and challenges, including for joint programming with MnSCU, internships for students, and cooperative projects with the private and nonprofit sectors; and for application of the knowledge and expertise of faculty and staff to educate students from urban areas, work with communities to find new solutions to urban problems, and develop resources and activities to better serve the rapidly changing K-12 system
- Greater oversight and accountability expectations in all areas of public service, including higher education, requiring increased responsiveness and reporting of results
- Opportunities for greater cooperation in higher education by working more effectively with MnSCU through partnership programs, and regionally, with other public and private higher education institutions

Important internal trends and issues include:

- Excellent faculty and staff but non-competitive faculty salaries, with salaries for Twin Cities campus faculty falling approximately 8 percent below the mean of the Twin Cities comparison group and salaries of faculty on the Morris campus falling approximately 10 percent below the mean of the Morris comparison group
- In spite of progress made, continuing concern regarding recruitment and retention of underrepresented faculty, so that they are appropriately distributed across collegiate and disciplinary lines and are able to work in a campus environment that acknowledges and values diversity--an environment where all faculty and staff can achieve their full potential
- Increased enrollment pressures, from an increase in the number of high school graduates, especially in the metropolitan area, with freshman applications continuing to rise well above the national average and a doubling of honors and financial aid applications; and increasing demand for life long learning and professional master's programs.
- In spite of progress made, continuing concern regarding the diversity of the student body, since the number of college-bound high school graduates of color has remained constant or dropped; much work remains to be done in creating a more multicultural and supportive University

community; and retention and graduation rates of students of color still lag well behind those of majority students

- Under-investment in research programs that must be addressed or the University is likely to lose its competitive advantage; also a need for continued strengthening of mechanisms for grant and contract oversight and appropriate incentives to encourage interdisciplinary research
- Need for continuing improvements in instruction and advising, graduation and retention rates, and student services; although the quality of instruction is increasingly strong and the University has recently been recognized as a national leader in the utilization of the World Wide Web and technology to improve the quality of and access to major student services, additional emphasis is needed on advising and instruction, the freshman year experience, and simplification of student procedures, policies, and support services
- Affordability of all of higher education, with tuition outrunning inflation; scholarships and grants-in-aid are insufficient at this time but growing because of significant reallocations to increase scholarship support and need-based aid and the University Foundation's continuing fund raising success
- Setting of national standards in the delivery of outreach programs through the University's colleges, University College, the Minnesota Extension Service, and its museums, theater, music, and dance programs, with many new opportunities possible through information technology
- Developments in institutional planning and decision-making, including the beginning of Incentives for Managed Growth (IMG), which creates incentives to enhance revenues (including restricted revenues) and control costs; and continuation of the University's multilevel process for conducting and interrelating planning at the various levels of the institution.
- Management systems, with human resource and payroll systems, student records and registration systems, and grants management system receiving major investments to gain long-term reduction of overhead and to increase efficiency and productivity
- Continuation of program review and restructuring efforts; although many University academic programs are world-class by any measure, some programs have eroded over the past two decades, while some other smaller, start-up programs have not reached their potential; program reviews should result in some programs being strategically downsized; others being reorganized and strengthened; and others coming into new configurations or clusters of programs in order to respond to changes in academic paradigms, research, and teaching opportunities

- Deferred renewal of buildings, approaching \$1 billion, with major renovation of existing facilities required to minimize the need for additional new space by increasing the usability and utilization of existing space

University 2000 Vision. Goals and a shared vision of the University's future as one of the premiere land-grant, research universities of the nation and the world were stated in President Nils Hasselmo's 1995 State of the University Address under three broad categories: 1) more effectively accomplishing the University's mission; 2) building better, more productive relationships; and 3) building the University's internal strength. The first two areas reflect the goals of the six U2000 strategic areas; the third area reflects the "enabling goals" articulated in a statement prepared by a faculty committee appointed by the President.

Planning Assumptions. The University's working assumptions flow from the goals and environmental assessment and help guide strategic planning and ensure that it remains among the nation's top twenty research universities. These assumptions focus on:

- Improving the reputation of the University's programs and the interaction and impact of its research
- Continuing to improve the quality of the undergraduate experience
- Earning and maintaining public support
- Working with the other state higher education systems to ensure access to higher education for all Minnesotans
- Recruiting an undergraduate student body that is better prepared for college and more academically competitive
- Working toward a relatively steady enrollment state, with freshman enrollment increases of around 10 percent over the next five years
- Giving significant budgetary priority to both need-based and merit financial aid
- Increasing cooperative programs with other public and private higher education institutions, with community and state agencies, and with organizations throughout the Midwest
- Continuing to build partnerships with the University's neighborhoods, urban and rural communities, government, business and industries, and alumni
- Reaffirming the commitment to diversity by emphasizing a change of culture that broadly supports diversity, and ensuring that all planning decisions take into account underrepresented groups on campus

- Continuing to flatten the University's organizational structure through decentralization and the empowerment of individuals at the local level
- Continuing to develop a consultative process where planning, resource distribution, and evaluation methods are thoroughly discussed and debated, with multiple opportunities for individuals and groups to participate in all phases of the planning process
- Simplifying institutional systems, policies, and procedures through re-engineering of work processes and human resource policies and procedures and appropriate training
- Continuing the University's ongoing strategic planning process in order to move toward U2000 goals based on the unique capabilities and opportunities available at each unit
- Imposing budget discipline and using the critical measures and performance goals to demonstrate fiscal accountability, productivity, and value to students and to the state
- Placing priority on several important human resource and infrastructure areas
- Developing an exemplary support infrastructure that serves both internal and external constituents
- Emphasizing the renovation and modernization of existing facilities

Institutional Financial Framework. Complementing and supporting the University's strategic plan is a four-year financial framework detailing the investment requirements of the University. The needs outlined in the four-year financial framework total an average of \$244,572,443 per year. To finance this four-year framework, the University has proposed a sharing of the solution among the state, students, and the University. An important objective is to hold tuition revenue increases to the 2.5 percent per year projected rate of inflation coupled with a 50/50 sharing between the state of Minnesota and the University to finance the remaining needs.

Strategic Issues and Initiatives: U2000 Agenda for Change. Important initiatives are grouped in four broad categories: core resource initiatives, student initiatives, process redesign, and academic redesign.

Core resource initiatives deal with critical steps that must be taken to support the University's important human and physical resources:

- Compensation, addressing the goal of increasing the average salary of faculty to the mean of the appropriate comparison group on each of the campuses
- Faculty Diversity Initiatives, addressing the goal of increasing the percentage of faculty of color through a variety of methods, from summer research programs for undergraduates of color and national minority graduate school feeder programs; to postdoctoral fellowships, "bridge" funding, and multicultural research grants; to systemwide faculty development programs and a visiting scholars program
- Facilities Initiatives, addressing space management, custodial standards, preventive maintenance standards, new building operations, University debt service, steam plant debt, and utilities inflation

Student initiatives include:

- University-Based Financial Aid, addressing the goal of remaining affordable and accessible to all students admitted to the University's programs and focused on adjusting need-based aid and increasing merit aid to undergraduate and graduate students
- Student Diversity Initiatives, addressing the need for a stronger and more focused effort in pre-collegiate programs for students of color, as well as closer and more effective coordination of internal programs for the University's students of color

Process redesign, enhancement, and/or replacement initiatives are focused upon a broad array of support activities and operations:

- Investment in Technology, focusing on access to technology for students, faculty, and staff; the use of technology in teaching and learning; and enhanced connectivity, systems, and resources
- Enrollment Management, involving an enhanced enrollment management process for undergraduate, graduate, and professional levels on all of the University's campuses
- Student Systems, focusing on the Student 2000 project, which will replace existing student record systems with new systems that can handle the change to semesters and the year 2000, and provide more effective, student-centered support services to students, faculty, and staff
- Human Resource Systems, including responses to recommendations in the Denny Report and improvements in the management of employee information
- Grants Management, continuing the process of improving the University's grants management systems and accountability

- Master Planning, focusing on implementation of the master plans developed for each campus
- Facilities Utilization, including pilot projects for a space database and "data warehouse," in order to make better utilization of existing space
- Resource Allocation System (IMG), placing responsibility for operating decisions affecting revenue and expenditures, to the greatest extent possible, at the collegiate/support unit level
- Financial Management System Strategy, beginning implementation of a short- and long-term strategy, developed in 1996, for the use, upgrading, or replacement of the University's financial management system
- Integrated Framework, continuing implementation of the University's Integrated Framework model of internal control

Academic redesign involves critical steps that must be taken to support the University's academic mission. Important University initiatives for access and excellence include:

- Undergraduate Education, building on and continuing the President's Initiative for Excellence in Undergraduate Education
- Education for a Lifetime, involving the redesign of curriculum and teaching methodologies to support lifelong learning for alumni and interested citizens
- Graduate Education, including strengthening the focus and quality of graduate programs and developing 50 more practitioner-oriented and special master's programs
- Improving the Lives of Minnesota Children and Families through Research and Outreach, continuing the important work of University faculty and staff, schools, and community groups concerned with the healthy development of children and families
- K-12 Education, expanding several existing programs, developing stronger community partnerships, and focusing efforts directed at pre-collegiate programs
- Strengthening Technical Research and Research-based Outreach Programs, focusing on interdisciplinary work in areas such as public policy, health concerns, community leadership and development, the environment, technology transfer, and productivity of small business enterprises

- Minnesota in the World, focusing on building key faculty competency in areas of emerging economic and political importance and an expanded program of international exchange for faculty and students
- Improving Economic Competitiveness, developing an "Economic Development Center" on the Twin Cities campus to work with external groups, businesses, and the Department of Trade and Economic Development
- Reorganization of the Biological Sciences, implementing the recommendations of the Biological Sciences Policy Council

Other important initiatives involve work to prepare for semester conversion; redesign and restructuring of central functions involving grants management, information technology, planning, and enrollment management in order to increase effectiveness, efficiency, and accountability; reengineering of University College to implement U2000 goals; investment in technology, including restructuring of the related offices, acquisition of new systems for administrative and student support functions, and improvements in equipment, computers, and personnel in support of research and instructional activities; and library acquisitions including the purchase of electronic materials and cooperation with other state libraries and Big Ten institutions to counter inflationary costs.

Evaluation: Institutional Critical Measures. The University will continue to use the fourteen U2000 "critical measures" to publicly confirm the University's success in reaching its goals; guide institutional, collegiate, and support unit self improvement; serve as a link between planning, performance, and resource allocation; and provide a means for comparison with other similar institutions.

**President's Report
to the
Regents of the University of Minnesota
Nils Hasselmo
May 9, 1997**

Mr. Chair, Ladies and Gentlemen of the Board, I want to begin my report by expressing the University community's deep respect and appreciation to Dr. David Johnson, who announced on April 14 that he will retire on June 30, 1998, after eight years of distinguished service as Chancellor of the University of Minnesota, Morris.

Chancellor Johnson has provided excellent leadership for the Morris campus during a critical and difficult period. Competition for the best students has grown dramatically, and budget and facilities problems have posed especially difficult challenges. Chancellor Johnson's creative "Morris Junior Year" offers promising initiatives for both retaining and recruiting third-year students by involving them in on-campus research opportunities, internships, community service, exchange programs, international experiences, and other academic and co-curricular activities.

Last September, when the Board met in Morris, we heard the very encouraging report that UMM had the highest enrollment (14%) of students of color in the University system, and that five-year graduation rates for UMM's students of color had more than doubled, from 21% in 1993 to 47% in 1995.

Chancellor Johnson's "Center for Small Towns" now has pilot projects providing new opportunities for Morris students, staff, and faculty to become more directly involved in the problems of smaller communities, while also serving as a coordinated point of access to the resources of the entire University for those communities.

As the Regents heard last month in Chancellor Johnson's report, UMM is also reaching out to students and teachers in other educational institutions, cooperating with MnSCU campuses in distance learning, and maintaining a variety of K-12 and international initiatives:

- Elementary education practicum in the Chicago Public Schools;
- Science and Mathematics summer sessions for high school students typically underrepresented in scientific careers;
- Consultative service to school districts such as Willmar, with its rapidly expanding Spanish-speaking population;
- Cooperating with the Morris Area School District to provide exchange opportunities with Chelyabinsk, Russia;
- Bringing talented area teachers to work with talented middle school and junior high students in the summer in the Henjum Institute for Creative Study;

- Annual children's art exhibits, theatre productions, and artists-in-residence workshops;
- Brokering Master of Education programs for in-service teachers;
- University College's Summer Scholars program, connecting talented high school students with outstanding UMM faculty members;
- Consultative service to the science and mathematics magnet elementary school in Cyrus;
- Minnesota Campus Compact service learning opportunities in community projects;
- Global Student Teaching program, in cooperation with Moorhead State University, which has arranged student teaching opportunities for 49 UMM students in such countries as Australia, New Zealand, and Cameroon; and
- the Center for International Programs, which has sent another 66 students to be English Language Teaching Assistants in schools in eleven nations.

Initiatives such as these demonstrate that the Morris model of a liberal arts campus is no ivory tower. Through Chancellor Johnson's leadership and these active learning and service learning opportunities, UMM is both enhancing its undergraduate experience with real-world involvement and serving its regional communities.

Dr. Johnson announced his retirement fifteen months early in order to ensure that the UMM campus and the University administration have time to conduct an aggressive search for candidates. In consultation with President-Designate Yudof, I plan to appoint a search committee this spring. The committee will be charged to conduct a national search, moving as quickly as possible to begin advertising.

• Flood Relief Activities •

On Wednesday, April 23rd, a group met to discuss the status, planning, and responses to the flood situation affecting the Crookston campus, the East Grand Forks area, and the University of North Dakota.

INITIAL RESPONSES

After escaping direct flooding of the campus, some UMC staff and students were affected by flooding of their homes in the East Grand Forks area, as well as by transportation difficulties. The entire campus has been involved in one way or another in volunteer flood work, housing evacuees, and assisting the Red Cross, Salvation Army, and other agencies through use of computer information services in providing refugee locator help.

UMC has processed over 400 evacuees through its shelter. Many, many UMC faculty, staff and students have given hours of time. Dining Services

provided meals for the UMC shelter, and UMC Health Services has been at the UMC shelter.

UMC established a flood support center for students, faculty and staff impacted by the flood. The center is staffed from 8 a.m. to 8 p.m. and is prepared to assist all UMC students, faculty, and staff on issues related to UMC--housing, financial aid, books, computers, emergency funds, and completion of course requirements.

The Red Cross has now taken over the care and feeding of about 150 people, many of whom are Hispanic and speak little English. It is expected they will continue to be housed in the UMC gymnasium for another week or two.

The state Emergency Management Office requested and received space to set up a Disaster Assistance Center on the UMC campus.

Food, water, waste and general sanitation has been and continues to be a potential problem. Kent Rees from Environmental Health and Safety has been in telephone contact and will go to Crookston to assist in assurance of sanitation procedures.

John Erickson is working on human resources implications for affected employees. He is also in communication with the state regarding its policy directions in that regard. Employee Assistance has been in contact with UMC and will be providing assistance.

The Real Estate Office is developing short term leases with federal and state agencies for use of space on the UMC campus.

Our Duluth campus has been contacted by the Red Cross regarding housing and food services and is working to provide appropriate assistance.

CLEAN-UP AND RECOVERY

We are communicating with Don Sargeant to ensure he receives the help he needs, but not to further complicate the stress he and his staff have been under. He is striving to get back to normal University activities as soon as possible. The Twin Cities campus should help in the longer term clean-up and recovery process.

There are several people here from the University of North Dakota. The housing office is providing places to stay, and we are working to set up other necessary services for them.

Florence Funk and Jane Canney are coordinating efforts to collect and deliver needed cleaning supplies and other donations. They are also working to set up bus trips by volunteer students who will stay at the UMC campus and go to East Grand Forks to assist in clean-up efforts.

The Minnesota Extension Service lost a facility in Breckenridge, but is operating out of temporary space there. From the Twin Cities, they have created a Web site to provide information to their stations about clean-up procedures. They have also developed extensive outreach services such as phone messages for the public about clean-up tips and have had faculty and extension agents do radio talks and public messages about what to do and not do after a flood.

University Relations is getting out information about the University's efforts to date and what will be done to help people and communities in their recovery process.

May 1 and May 8, student, staff, and faculty volunteers from UMM took the Cougar bus to Breckenridge to assist in clean-up efforts. Long-time bus driver Art Durkee volunteered to drive.

"Flood Relief and U" on the Twin Cities campus is a three-week, campus-wide effort to raise money and collect food and relief supplies. Sponsors include the University of Minnesota Bookstores, the Campus Involvement Center, the Office of Student Development and Athletics, University Relations, Academic Affairs, the Minnesota Extension Service, Boynton Health Service, Food Services, Housing and Residence Life, the Minnesota Daily, the Bursar's Office, Recreational Sports, and Health, Safety, and Transportation. The program is also recruiting volunteers to help with the flood relief efforts in the Crookston area over the May 16-18 weekend. Faculty and staff volunteers will receive May 16 as a paid workday; student volunteers will be excused from classes.

In addition to all of its other efforts, UMC is cooperating with the Red River Trade Corridor, Computerland in Grand Forks, Corporate Technologies in Fargo, New Tech Computers in Crookston, and ONTRACK Data International in Minneapolis to help area businesses recover data from flood-damaged computers. UMC is providing space, administrative help, and student, staff, and faculty volunteers to remove computer hard drives.

On April 25, I accompanied Senators Roger Moe and LeRoy Stumpf, MnSCU Chancellor Judith Eaton, and MnSCU Chancellor-Designate Morrie Anderson on a trip to Crookston. We toured some of the flood-damaged area and met with UMC students, staff, and faculty who have made enormous contributions to the flood relief effort.

Thanks to the University of Minnesota Foundation, I was able to present a \$25,000 check to Chancellor Sargeant for emergency assistance to UMC students.

• AAU Statement on Diversity •

On April 14, during its annual spring meeting in Washington, D.C., the Association of American Universities adopted a statement that expresses strong support for continued attention to diversity in university admissions. The statement was subsequently published in the New York Times.

The Association of American Universities consists of 62 leading North American research universities. These institutions are represented at the association's meetings by their president or chancellor.

I am pleased to share this important policy statement with the Board:

Statement On the Importance of Diversity in University Admissions
The Association of American Universities
April 14, 1997

For some time, the consideration of ethnicity, race, and gender as factors in college and university admissions has been strenuously discussed both within and outside of the academy.

The public debate about the goal of diversity, as well as affirmative action; the 1995 decision of the Regents of the University of California to discontinue any special consideration of ethnicity, race, and gender as factors in admissions; the passage of Proposition 209 in California; and the Hopwood ruling of the Fifth Circuit Court of Appeals have all combined to create substantial uncertainty about the future representation of minority students within our student bodies. Special efforts to identify and enroll women--particularly but not only in fields such as mathematics, the physical sciences, and engineering--may also be affected.

As members of the Association of American Universities, we therefore want to express our strong conviction concerning the continuing need to take into account a wide range of considerations--including ethnicity, race, and gender--as we evaluate the students whom we select for admission.

We speak first and foremost as educators. We believe that our students benefit significantly from education that takes place within a diverse setting. In the course of their university education, our students encounter and learn from others who have backgrounds and characteristics very different from their own. As we seek to prepare students for life in the twenty-first century, the educational value of such encounters will become more important, not less, than in the past.

A very substantial portion of our curriculum is enhanced by the discourse made possible by the heterogeneous backgrounds of our students. Equally, a significant part of education in our institutions takes place outside the classroom, in extracurricular activities where students learn how to work together, as well as to compete; how to exercise leadership, as well as to build consensus. If our institutional capacity to bring together a genuinely diverse group of students is removed--or severely reduced--then the quality and texture of the education we provide will be significantly diminished.

For several decades--in many cases, far longer--our universities have assembled their student bodies to take into account many aspects of diversity. The most effective admissions processes have done this in a way that assesses students as individuals, while also taking into account their potential to contribute to the education of their fellow-students in a great variety of ways. We do not advocate admitting students who cannot meet the criteria for admission to our universities. We do not endorse quotas or "set-asides" in admissions. But we do insist that we must be able, as educators, to select those students--from among many qualified applicants--who will best enable our institutions to fulfill their broad educational purposes.

In this respect, we speak not only as educators, but also as concerned citizens. As presidents and chancellors of universities that have historically produced many of America's leaders in business, government, the professions, and the arts, we are conscious of our obligation to educate exceptional people who will serve all of the nation's different communities. The evaluation of an individual applicant to our universities cannot, therefore, be based on a narrow or mainly "statistical" definition of merit. The concept of merit must take fully into account not only academic grades and standardized test scores, but also the many unquantifiable human qualities and capacities of individuals, including their promise for continuing future development. It must include characteristics such as the potential for leadership--especially the requirements for leadership in a heterogeneous democratic society such as ours.

We therefore reaffirm our commitment to diversity as a value that is central to the very concept of education in our institutions. And we strongly reaffirm our support for the continuation of admissions policies, consistent with the broad principles of equal opportunity and equal protection, that take many factors and characteristics into account--including ethnicity, race, and gender--in the selection of those

individuals who will be students today, and leaders in the years to come.

• Regents' Professors •

This month the Board of Regents has approved the appointments of two new Regents' Professors, bestowing the University's highest academic distinction upon Professor H. Ted Davis and Professor Patricia Hampl. Their appointments fill the vacancies caused by the retirements of Regents' Professor Paul Murphy, American History and American Studies, and Regents' Professor Willard Hartup, Child Development.

Regents' Professor Davis earned his bachelor's degree from Furman University and his doctorate in chemical physics from the University of Chicago. After a year of post-doctoral work at the Free University of Brussels, he joined the University of Minnesota's Chemical Engineering faculty in 1963. He became head of the Department of Chemical Engineering and Materials Science in 1980, a post he held until last November when he became Dean of the Institute of Technology. His other honors include a 1967-69 Sloan Foundation Fellowship, a 1969-70 Guggenheim Fellowship, the University of Minnesota's George Taylor Distinguished Service Award in 1989, and the Walker Award for excellence in contributions to chemical engineering literature from the American Institute for Chemical Engineering in 1990. He was elected to the National Academy of Engineering in 1988.

Regents' Professor Hampl earned her bachelor's degree in English from the University of Minnesota and her master's of fine arts degree from the University of Iowa. She joined our faculty as assistant professor of English in 1982 and became full professor in 1989. Her internationally known published works include "Woman Before an Aquarium" (poems), "A Romantic Education" (prose memoir), "In a Winter Garden" and "Claire de Lune" (choral librettos), "Resort and Other Poems," and "Spillville," a meditation based on Antonin Dvorak's visit to Spillville, Iowa. She received National Endowment for the Arts grants in 1976 and 1990, a Guggenheim award in 1988, and a MacArthur Foundation "genius award" in 1990.

• President's Concert •

On Tuesday evening, May 6, I had the pleasure of presenting a President's Award to Vern Sutton, Director of the School of Music, whom I also described as performer, teacher, opera director, administrator, entrepreneur, and spark plug! That happy and most enjoyable occasion was the 9th Annual President's Concert, featuring more than 200 student, alumni, and faculty musicians of the School of Music. It was an amazing concert—different groups performing in different locations throughout Ferguson Hall and the Mann Concert Hall, and demonstrating in the best way possible the variety of performance talents in our School of Music. We heard the Symphonic Band, the Concerto Grosso Ensemble, the Brass Choir, the Concerto Grosso Ensemble and Alumni, the Jazz Singers, the

Chamber Quartet, a percussion solo, the Opera Quintet, the Jazz Ensemble, and one of Vern Sutton's signature tenor solos, putting recent University history to music. Then Symphony Orchestra ended the concert with its performance of the world premier of composer/conductor Kenneth Clark's "Jubilee! A Fast Dance for Nils." (I didn't have to dance, but I was truly touched by the honor.)

• Sunrayce 1997 •

Earlier in the day Tuesday, as part of the "I.T. Tech Fair" on the mall, members of the University of Minnesota Solar Vehicle Project unveiled their Sunrayce 1997 entry, Aurora3.

This year's Sunrayce course is 1,230 miles, from Indianapolis, Indiana to Colorado Springs, Colorado. The 9-day race begins on June 19, with 40 North American universities entering solar powered cars. Our team of 38 students is co-managed by I.T. students Laurie Miller and David Craig and advised by Mechanical Engineering Professors Patrick Starr and Virgil Marple and Electrical Engineering Professor William Peria.

This will be the University's third year entering a solar powered car. Our first entry, Aurora I, finished 21st in 1993 and won the SAE Design Excellence in Engineering Safety Award. Aurora II placed second in 1995, also placing second in its class (and 9th overall) in the 1995 World Solar Rally in Akita, Japan.

I hope this year's entry will be the winner, but it's not a platitude at all to say that our team has already won. The practical engineering, the teamwork, the recruiting of team members, donors, and sponsors, and the whole management of the logistics are all experiences that must also be prized, and I am very proud of the achievements that Minnesota's team have already accomplished.

UNIVERSITY OF MINNESOTA

Office of the President

202 Morrill Hall
100 Church Street S.E.
Minneapolis, MN 55455-0110
612-626-1616
Fax: 612-625-3875

June 20, 1997

Dear Colleagues, Friends, and Supporters of the University of Minnesota:

This is my 94th and last President's Report to the Regents of the University of Minnesota--and to you. I appreciate very much the opportunity to serve as President of the University of Minnesota for the last eight and a half years, and I appreciate very much the opportunity to work with all of you on behalf of this fine university. I want to extend to all of you my heartfelt thanks for all of your hard work and support, and I want to wish you all the best in the future.

I hope that you will find this last report of interest. The appended University Plan, 1997-1998, is intended both to take stock of our challenges and project our plans into the future.

With all best wishes,

Cordially,



Nils Hasselmo
President

**President's Report
to the
Regents of the University of Minnesota
Nils Hasselmo
June 13, 1997**

Mr. Chair, Ladies and Gentlemen of the Board, this is my 94th and last President's Report to the Regents of the University of Minnesota. Since January 13, 1989, when I began using this "Report of the President" slot on the Regents' meeting agenda as an opportunity to comment on issues and events, I find that I—and indeed, you and your predecessors on this Board—have addressed most of the vital issues facing not only this University, but most of higher education, in this last decade of the 20th century.

I nearly accomplished "A-to-Z" topic headings—from "AAU Diversity Statement" to "Year in Review." Somehow, I never addressed a "Z" topic, though I must have talked about zoology somewhere along the way.

Through monthly distribution by mail, on campus and off, plus, more recently, making these reports available on the World Wide Web, I hope my reports have helped people to better understand the University, the issues confronting the University and the Board of Regents, and the enormous value of this institution to the people of Minnesota. I continue to wish that every citizen knew all there is to know about the University, good or not so good. I know that the University would be better off, because the good produced by the University is simply so overwhelming.

• Tenure Policy Revision •

With your approval this morning, we have successfully completed the revision of the tenure policy for the Morris campus and all units of the Twin Cities campus. I believe that we all share the relief that a difficult and sometimes contentious issue is behind us, that academic freedom and shared governance have been protected, and that we can move on.

As I said in my letter of June 3, I strongly endorse the tenure policy revision. It provides the University of Minnesota with a very good tenure policy; it represents a reasonable balance of different perspectives; and it presents us with a great opportunity to bring closure to our evaluation and reform of the University tenure policy.

For those who receive my monthly reports, but who may not have seen a summary of the revisions, I include the following excerpt from my June 6, 1997, letter to the Board:

"In summarizing the recommended revision of the tenure policy, three points warrant mention.

First, the revised code meets the goals that I identified for the tenure review last year. These goals included the need for tenure reform that preserves and protects the principles of academic freedom, due process, and shared governance, while at the same time providing the organizational flexibility needed to meet the challenges of change facing the University of Minnesota.

Second, the recommended revision is also consistent with various objectives stated by the Board including:

- To clarify that reassignments may be necessary in the case of program change.

Section 12 provides for the reassignment of faculty members in the event that programmatic change leads to the discontinuation of a program in which the faculty member is employed.

- To define the categories of faculty appointment in which tenure may be granted to ensure needed flexibility.

Section 3 defines the types of regular, term, and administrator appointments, as well as special contracts, that individuals may hold. Section 7a.1 allows for greater flexibility in the allocation of a faculty member's expected teaching, research, service, and governance assignments.

- To clarify that administrators, in the interest of meeting unit objectives, may assign tasks to faculty members.

Interpretation 8 provides that the heads of academic units may assign faculty members to teach specific courses in accordance with the units' workload policies.

- To permit colleges to extend the probationary period.

Section 5.1 allows a college to adopt a maximum probationary period of up to nine years either across the college or within certain units.

- To reaffirm that tenure is tied exclusively to recurring salary and not to other income sources.

Section 4.4 makes a distinction between a faculty member's "recurring" salary and "additional" salary (i.e., "clinical practice, administrative service, overload duties, summer school teaching or research support and similar activities").

- To effect a meaningful post-tenure review process.

Section 7a. provides for annual reviews of faculty performance and special peer reviews in cases of alleged substandard performance by tenured faculty. It also permits salary reductions in those instances where performance continues to be substantially below unit goals and expectations.

Third, a number of "technical" changes have been made in the "Sullivan II" formulation. They include:

- Section 4.4 et al. Faculty Salaries

The terms "recurring salary" and "additional salary" have replaced the terms "base pay" and "additional compensation," respectively.

- Section 4.5 Reduction or Postponement of Compensation

This section provides for the possibility of salary reductions for up to two years for the University or a college in instances of "fiscal stringency." The revised proposal requires that a college-specific pay cut must be approved by the appropriate collegiate faculty body.

- Section 7a.5 Peer Review Option

A change has been made to require approval of alternative post-tenure review plans by the dean "and faculty (or the elected faculty assembly) of a collegiate unit." The amendment recognizes the role of faculty governance at the collegiate level.

- Section 10.22 Procedure For Minor Disciplinary Actions

This section provides for minor disciplinary action, deleting "a suspension of up to three days" as an example.

- Section 12.1 Programmatic Change

This section recognizes that changes in academic programs are essential and that changes should "be based upon academic considerations" as well as long-term policy and planning. The amendment also provides for consultation with the faculty through the "appropriate governance structure," which in some cases might be at the college rather than the University level.

- Section 12.3 Reassignments

This amendment clarifies that a faculty member may grieve a reassignment but that the faculty member "shall perform the reassignment pending resolution of the dispute," unless the President provides otherwise.

- Section 14.6 Temporary Suspension During Proceedings

This change clarifies that the "hearing" panel of the "Senate Judicial Committee" may extend the time period for rendering a final decision on the temporary suspension of a faculty member without pay. It also adds the language, "If the faculty member is reinstated" to the conditions under which back pay would be ordered.

- Interpretations Salaries/Financial Stringency

Interpretations 2 and 3 state understandings concerning the recurring nature of salary increases and the meaning of "financial stringency," as these concepts are used in the text of the recommended tenure policy.

We have traveled a long and arduous course, but ultimately, I believe, the resulting tenure policy will serve the University of Minnesota well."

• 1997-98 University Budget •

I take particular pleasure in presenting my eighth and last annual budget proposal—a particular pleasure because it is the most positive budget I have been able to present to you.

Again, for the information of those who receive the President's Reports, I include the following excerpt from my letter to the Board of June 3, 1997:

"The budget we propose to you marks a turning point in the history of our University. In the words of Representative Gene Pelowski, Chair of the Higher Education Finance Division of the Minnesota House of Representatives, and Senator Leroy Stumpf, Chair of the Higher Education Budget Division of the Minnesota Senate, "higher education is back." The budget before you reflects a renewed priority by the State of Minnesota regarding the financing of higher education. The tremendous effort and support provided to the University of Minnesota by so many Minnesotans during the past year has been truly remarkable."

This budget continues the implementation of U2000, and is driven by its priorities. Specifically, it accomplishes—or begins to accomplish—the major investment goals we set forth over a year ago. These goals are:

1. To hold general tuition revenue levels to an annual increase of 2.5%;
2. To raise faculty salaries to at least the mean of the appropriate peer group for each campus (a general goal set for all groups of University employees); and

3. To provide new investments in academic programs, technology, financial aid, and facilities infrastructure.

In the area of tuition, the budget holds the general tuition revenue increase level to roughly 2.5% for fiscal year 1997-98. Approximately 7,000 upper division students on the Crookston and Twin Cities campuses will see no tuition increase for next year. Another 7,000 Twin Cities campus upper division students will see an increase of 1.9%. Selected programs, especially in professional areas, show higher levels of increase, depending on the market situation for those programs.

The budget provides for a 2.5% general wage increase and a significant infusion of resources into faculty salaries. For fiscal year 1997-98, we are proposing an investment of approximately \$13,300,000 for faculty compensation. This investment moves the University significantly toward reaching our stated goal of raising faculty salaries to at least the mean of the appropriate peer group for each campus.

The budget calls for significant new investments in technology and facilities infrastructure, as well as the financing of several key academic initiatives. For example, the budget plan includes significant new investments in the undergraduate initiative, new funds to continue the reorganization of the biological sciences, funds to strengthen key departments in CLA and IT, technology investments at Crookston, new funds for a Learning Center at Morris as part of our undergraduate initiative, and significant new funds for Duluth. In addition, critical academic programs will be funded through the infusion of new state special appropriations from the State of Minnesota in such areas as sustainable agriculture and research programs in the Academic Health Center. Each of these investments is essential to maintaining the reputation and quality of the University.

Furthermore, the budget plan includes the implementation of Incentives for Managed Growth (IMG). IMG involves a set of specific incentives to enhance revenue growth, control costs, and improve accountability. IMG focuses on the attribution of tuition revenue, the attribution of indirect cost recovery revenue, a facility space incentive, and the allocation of state investment funds.

The budget plan presented for consideration by the Board of Regents marks the end of one part of the budget cycle. There will be more challenges and many more difficult choices to make. With continued support by the Board and the leadership of President Yudof, I am fully confident that the continuing momentum of quality improvement will be sustained, and the long term health of the University of Minnesota will be ensured.

• **Recognitions** •

Student Representatives to the Board of Regents

Serving as Student Representatives to the Board of Regents demands considerable time and energy from very busy students, but the impact of this service is extremely important, to the Board, to the University, and to the Student Representatives as individuals. Student Representatives are trusted and respected advisors to the Board and important contributors to University governance. Individually, service on the Board is also a valuable learning experience, and I know from many, many examples that service as Student Representatives has been an important factor in further graduate or professional education and further leadership opportunities in careers and communities.

I thank the Student Representatives for their tireless service, and I hope their experience does, indeed, have life-long value.

Mark G. Erickson, Crookston Campus
Eric Gustafson, Duluth Campus
Jennifer Halko, Twin Cities Campus
Blessing Rugara, Chair, Graduate & Professional Student Assembly
Karl Thorson, Twin Cities Campus
Andrew Toftey, Twin Cities Campus
Tonia Zehrer, Morris Campus

1996-97 Chair, Faculty Consultative Committee

Virginia Gray, Professor of Political Science
 College of Liberal Arts, Twin Cities

Chairing the Faculty Consultative Committee is an extraordinarily demanding commitment to University service and governance in the least demanding of years. This year, however, has been one of the most demanding in recent history, so I want to pay special tribute to Professor Gray, who has served with great skill, patience, and grace.

Regents' Professors

Last month the Board of Regents approved the appointments of two new Regents' Professors, bestowing the University's highest academic distinction upon Professor H. Ted Davis and Professor Patricia Hampl. Their appointments fill the vacancies caused by the retirements of Regents' Professor Paul Murphy, American History and American Studies, and Regents' Professor Willard Hartup, Child Development.

H. Ted Davis, Regents' Professor of Chemical Engineering and Materials Science, and Dean of the Institute of Technology

Regents' Professor Davis earned his bachelor's degree from Furman University and his doctorate in chemical physics from the University of Chicago. After a year of post-doctoral work at the Free University of Brussels, he joined the University of Minnesota's Chemical Engineering faculty in 1963. He became head of the Department of Chemical Engineering and Materials Science in 1980, a post he held until last November when he became Dean of the Institute of Technology. His other honors include a 1967-69 Sloan Foundation Fellowship, a 1969-70 Guggenheim Fellowship, the University of Minnesota's George Taylor Distinguished Service Award in 1989, and the Walker Award for excellence in contributions to chemical engineering literature from the American Institute for Chemical Engineering in 1990. He was elected to the National Academy of Engineering in 1988.

Patricia Hampl, Regents' Professor of English
College of Liberal Arts

Regents' Professor Hampl earned her bachelor's degree in English from the University of Minnesota and her master's of fine arts degree from the University of Iowa. She joined our faculty as assistant professor of English in 1982 and became full professor in 1989. Her internationally known published works include "Woman Before an Aquarium" (poems), "A Romantic Education" (prose memoir), "In a Winter Garden" and "Claire de Lune" (choral librettos), "Resort and Other Poems," and "Spillville," a meditation based on Antonin Dvorak's visit to Spillville, Iowa. She received National Endowment for the Arts grants in 1976 and 1990, a Guggenheim award in 1988, and a MacArthur Foundation "genius award" in 1990.

Horace T. Morse/Minnesota Alumni Association Awards for Outstanding Contributions to Undergraduate Education

The Horace T. Morse-Minnesota Alumni Association Award for Outstanding Contributions to Undergraduate Education recognizes faculty members for excellence in contributing to students' learning through teaching, research and creative activities, advising, academic program development, and educational leadership. Candidates are nominated through their colleges, and a selection committee under the leadership of the Senate Committee on Educational Policy approves nominations.

Awardees receive a \$1,500 gift each year that they remain on the University of Minnesota faculty, and each recipient's department also receives \$2,500 each year for three years. Joining 240 faculty members who have been honored with this award in the past 31 years, the 1996 recipients are:

E. Calvin Alexander, Professor of Geology and Geophysics
Institute of Technology

John S. Anderson, Professor of Biochemistry
College of Biological Sciences

Russell F. Bey, Associate Professor of Veterinary PathoBiology
College of Veterinary Medicine

Kenneth J. Heller, Professor of Physics and Astronomy
Institute of Technology

Engin A. Sungur, Associate Professor of Mathematics
University of Minnesota, Morris

W. Daniel Svedarsky, Professor of Agricultural Management
University of Minnesota, Crookston

Eileen M. Zeitz, Professor of Foreign Languages and Literatures
University of Minnesota, Duluth

Jacquelyn N. Zita, Associate Professor of Women's Studies
College of Liberal Arts, Twin Cities

Professional and Academic Staff Awards

The Academic Staff Award was established by the Academic Staff Advisory Committee in 1991 to recognize academic professional and administrative staff members who have provided extraordinary service to the University. These academic staff members have made outstanding contributions to the University in the areas of teaching, research, or outreach. The award includes a \$2,000 honorarium, plus \$1,000 provided to the department, to be used in support of professional development activities by the recipient during the coming academic year. The award is sponsored by the Office of the Senior Vice President for Academic Affairs.

Elayne Donahue, Director of Academic Counseling
Intercollegiate Athletics, Twin Cities

Debra Ann Dykhuis, Coordinator
College of Pharmacy

William Robiner, Senior Psychologist
Medical School

Bhadriraju Subramanyam, Extension Educator
Entomology Department

Distinguished McKnight University Professors

This is the second year of the Distinguished McKnight University Professorship program, a mid-career award for University of Minnesota faculty members. The goal of the program is to honor and to reward the highest-achieving faculty at the University of Minnesota who have recently attained full professor status—especially those whose careers have advanced at Minnesota, whose work and reputation are identified with Minnesota, who bring renown and prestige to the University, and who can be expected to make additional significant contributions to their discipline.

Recipients will carry the title of Distinguished McKnight University Professor for as long as they remain on the University faculty, and each receives \$100,000 to finance research, scholarly, or artistic activities over the next five years.

Professor George Barany
Department of Chemistry

Professor Sara Evans
Department of History

Professor James Hepokoski
School of Music

Professor William Iacono
Department of Psychology

Professor Craig Packer
Department of Ecology, Evolution, and Behavior

Professor Tayfun Tezduyar
Department of Aerospace Engineering and Mechanics

President's Award for Outstanding Service

The President's Award for Outstanding Service is a new award that I initiated this year to recognize faculty and staff members who have given exceptional service to the University, its schools, colleges, and departments, and the community. The award consists of a small memento and a \$1,000 honorarium. The thirteen recipients for 1997 are:

Arlene Bennett, Administrative Director, Civil Engineering
Institute of Technology

Mario Bognanno, Professor of Industrial Relations and Chief of Staff
Office of the President

James Boulger, Program Director, School of Medicine
University of Minnesota, Duluth

W. Andrew Collins, Professor of Child Development
College of Education and Human Development

John Howe, Professor of History
College of Liberal Arts, Twin Cities

Sally Jorgenson, Professor Emerita
College of Biological Sciences

Toni McNaron, Professor of English Language and Literature
College of Liberal Arts, Twin Cities

Fred Morrison, Professor of Law
Law School

DeeAnn Olsen, Assistant to the Chief of Staff
Office of the President

Richard Skaggs, Professor of Geography
College of Liberal Arts, Twin Cities

Vern Sutton, Director of the School of Music
College of Liberal Arts, Twin Cities

Margaret Towle, Director
Minneapolis Student Unions

Gerhard Weiss, Professor of German, Scandinavian, and Dutch
College of Liberal Arts, Twin Cities

Civil Service/Bargaining Unit Staff Awards, Twin Cities Campus

This award was established in 1995 to recognize Civil Service/Bargaining Unit staff members who have made outstanding contributions to improving the working environment for CSBU employees. Three \$1,000 awards have been presented for 1997:

Chery Hays, Office Supervisor
University of Minnesota Extension Service

Bernetta Kambeitz, Senior Secretary
College of Human Ecology

Jean McAlpine, Executive Secretary
College of Biological Sciences

• **Recognition of Administrative Colleagues** •

I want to thank my administrative colleagues for their outstanding service to the University as part of my administration.

Four members of my team will be leaving July 1, 1997, and I want to thank them for their many contributions and wish them well in their continued careers. They are:

Dr. Marvin Marshak, Senior Vice President for Academic Affairs, who has served during this past year and who played an important role in the preparation of the biennial request for 1997-99, in the presentation of that request to the Executive and Legislative branches of State government (with very positive results), helped in sure the successful completion of the revision of the tenure code, and provided strong liaison with Educational Policy and Faculty, Staff, Student Committees of the Board of Regents.

Dr. C. Eugene Allen, Provost of Professional Studies, who recruited outstanding new deans in several units, established the process of identifying "affinity groups" as a means of identifying new interdisciplinary areas for development and possibilities for collaboration to ensure cost-effectiveness, supported important outreach initiatives, and represented the University in national organizations.

Dr. W. Phillips Shively, Provost of Arts, Sciences and Engineering, who effectively lead the further development of our Undergraduate Initiative, the reorganization of the Biological Sciences, the recruitment of several new deans, and improvements in management, including the establishment of the "Clarity Project" to link central management systems to their users.

Dr. Mario Bognanno, Chief of Staff in the President's Office, who handled a great variety of issues, helped develop the final tenure code, helped revise our grievance system, helped plan and carry out our very successful initiatives to develop long-term relationships with Asian alumni and their nations, and greatly facilitated the transition from the Hasselmo to the Yudof administration.

I also want to express my appreciation to my entire **Executive Council** for their high standards of performance, their dedication, their energy, and their loyalty to the University of Minnesota and my administration:

Dr. C. Eugene Allen, Provost of Professional Studies

Dr. Mario Bognanno, Chief of Staff

Dr. McKinley Boston, Jr., Vice President for Student Development and Athletics

Dr. Mark Brenner, Vice President for Research and Dean of the Graduate School

Dr. Carol Carrier, Associate Vice President for Human Resources
Dr. Frank Cerra, Provost of the Academic Health Center
Ms. JoAnne Jackson, Senior Vice President for Finance and Operations
Dr. David Johnson, Chancellor, University of Minnesota, Morris
Dr. Robert B. Kvavik, Associate Vice President for Planning, International Education, and Enrollment Management
Dr. Marvin Marshak, Senior Vice President for Academic Affairs
Dr. Kathryn Martin, Chancellor, University of Minnesota, Duluth
Mr. Richard H. Pfutzenreuter, Associate Vice President for Finance and Budgets
Mr. Mark Rotenberg, General Counsel
Dr. Donald Sargeant, Chancellor, University of Minnesota, Crookston
Dr. W. Phillips Shively, Provost of Arts, Sciences, and Engineering
Mr. Tom Swain, Vice President for Institutional Relations

• A Heartfelt Thank You to the Entire University Community and to the University's Many Community Supporters •

It is impossible for me to reach all the groups and individuals I would like to thank for their sterling contributions to the University of Minnesota and their sterling support for Patricia and me during these past 8 1/2 years. The dedication of the faculty and staff of the University has been inspiring, and is a wonderful asset to our state. The support we receive from the community is unequalled anywhere, and provides many very special opportunities for the University of Minnesota.

I would like to mention only some of the groups and individuals, and I trust that all of you will receive my gratitude through these examples:

The University of Minnesota Foundation, Jerry Fischer, President, and Louella Goldberg, Chair of the Board;

The University of Minnesota Medical Foundation, Brad Choate, President & CEO, and Barbara Forster, Chair of the Board;

The University of Minnesota Alumni Association, Margaret Carlson, Executive Director, Marvin Trammel, past President, and Ann Huntrods, newly elected President;

The list includes groups ranging from the Agrigrowth Council and the Minnesota High Technology Council to the numerous collegiate advisory councils. It includes Governor Arne Carlson, legislators of the State of Minnesota, and Minnesota's U. S. Congressmen and Senators. It includes my colleagues in Minnesota's public and private educational systems, from Pre-K-12 through universities. It includes thousands of alumni who are

members of our Legislative Network, as well as alumni leaders across the country and in several foreign countries who have helped us establish new alumni chapters. It includes the sixty thousand plus individuals who made financial contributions to the University of Minnesota last year. And, it especially includes the faculty, staff, and students of the University of Minnesota

To all my heartfelt thanks.

Appended: Summary -*The University Plan, 1997-98*

THE UNIVERSITY PLAN 1997-98

THE UNIVERSITY'S MISSION

The University of Minnesota's mission is threefold: research and discovery; teaching and learning; and outreach and public service. As a comprehensive, research, land-grant institution, the University carries out its mission on four campuses—at Crookston, Duluth, Morris, and the Twin Cities—and at a collaborative center at Rochester, as well as through outreach supporting the state's economic, social, and cultural development.

ENVIRONMENTAL FORCES

The University of Minnesota competes directly with the nation's top 30 universities for talented students and faculty, as well as for financial resources. But it is one of only 11 of these top 30 that are state-supported, with the consequent funding constraints of a public institution. Given this niche in higher education, the University has historically sought to provide both wide access and high quality. To continue and to improve its performance in the future, the University must look at the factors that influence it and which it, in turn, affects.

EXTERNAL

In the last decade of the twentieth century, the world is changing in ways that profoundly affect the University and the way it delivers services in support of its mission. The following are among the key external forces.

Changing state demographics reflect increasing racial and ethnic diversity and growth in elderly and K-12 populations.

Changing workplace demands for flexibility and adaptability require a workforce with strong critical-thinking skills as well as an opportunity and enthusiasm for lifelong learning.

Globalization creates a demand for citizens who can understand other nations' histories, customs, and cultures.

New technologies are transforming the way we work and solve problems. For the University, this means finding new ways to fulfill its teaching, research, and outreach missions.

Dramatic changes in the health care industry, including increasing life expectancies, costlier technology, and an explosion of health-related research and information, are challenging the University's traditional approaches to educating health professionals and conducting health-related research.

Rural Minnesota changes require the University to respond to the educational, agricultural, technological, and environmental issues facing an increasingly diverse rural population.

Urban challenges are creating opportunities for the University—with its unique metropolitan location—to engage in educational programming and cooperative services with other institutions to respond to urban problems.

Constraints on state financial support create the need to develop other revenue sources such as tuition, grants, and gifts.

Constituent expectations for greater accountability create the need for reporting measurable results from University programs and services.

Limited resources for higher education require greater collaboration among institutions.

INTERNAL

The University also experiences a number of internal forces that affect its role and activities.

Noncompetitive faculty salaries threaten the University's ability to attract and retain the highest-caliber scholars.

Faculty from underrepresented groups are still not being recruited and retained in numbers appropriate to an environment in which diversity is valued and supported throughout colleges and disciplines.

Enrollment pressures are resulting from increasing numbers of high school graduates, as well as from demands for lifelong learning and professional master's programs.

Recruiting, retention and graduation rates for students of color continue to be concerns as the University seeks to become a truly multicultural community. Among the factors: limited numbers of appropriate programs for pre-collegiate students of color throughout the state.

The University's long-standing history of overextension presents special challenges with regard to the undergraduate experience, including instruction, advising, system support, and community building.

Rising costs, coupled with insufficient financial aid—in spite of University efforts in this area—mean that students are taking on larger debt and working more hours during their undergraduate years.

Stiffer competition for research dollars means that the University's ability to invest in research is being tested.

Continuing needs for outreach and public service efforts require investment in distance education programming and information technology systems.

Planning and decision-making processes are being tested by changing demands and circumstances.

Obsolete and uncoordinated information systems and management processes have hampered University business practices, particularly in human resources, payroll, student records, registration, and grants management.

The need to focus and streamline in response to limited resources requires continuing effort and difficult decisions about academic and administrative program restructuring.

Physical plant renovation needs are growing faster than our ability to respond.

UNIVERSITY 2000: VISION

These internal and external factors describe the environment within which the University carries out its mission. At the same time, the University must be steadfast in its commitment to that mission, and clear about the principles to which it will adhere. We have defined three broad areas for U2000, the University's vision for enhancing its position as one of the world's premiere, land-grant research universities. These areas are:

Accomplishing the threefold mission more effectively;

Improving relationships;

Building internal strength.

These broad areas outline, in effect, the University's fundamental commitments as it strives to meet the challenges it faces. Within these areas, the University commits itself to these goals:

To accomplish its mission more effectively, the University will:

- Provide a high quality undergraduate experience consistently characterized by educational excellence, timely degree completion, and a supportive institutional climate.

- Provide world-class graduate and professional education programs.
- Generate long-term solutions for the challenges facing the state, nation, and world, through world-class research, scholarship, and artistic activities.
- Listen and respond to constituents, providing broad access to programs and resources.

To build better relationships, the University will:

- Increase the presence and participation of racial minorities and women where they are underrepresented.
- Become more user-friendly and service-oriented, fostering an environment that is inclusive, supportive, and participatory.

To build its internal strength, the University will:

- Ensure the availability of highly qualified faculty and staff by finding better ways to evaluate and reward talented people.
- Provide state-of-the-art facilities, technology, management systems, and other support infrastructures.
- Maintain and build quality in an era of increasingly constrained resources by making the case for state support and by expanding support from other sources, taking special care to ensure proper balance between tuition and financial aid.

AN AGENDA FOR CHANGE

Within the context of these broad goals, the University outlines its agenda for the coming year in terms of four general categories. Within each category, the University defines certain initiatives.

Core resources are the human and physical resources without which the University could not function. Initiatives include:

Compensation. The University's specific goal is to increase the preparation and satisfaction of faculty and to improve its compensation position relative to other research universities. The University must continue a pay-for-performance philosophy while addressing two priorities: raising average compensation for employee groups to at least the appropriate local or national average, and increasing flexibility in the salary system to allow rewards for exceptional service. An 8.5 percent increase in compensation for faculty is being implemented as the first step in a three-year compensation improvement plan.

Faculty diversity. The University seeks to increase the number of women faculty and faculty of color. Among specific initiatives are undergraduate summer research programs; national minority feeder programs for graduate education; and various programs designed not only to increase the number of faculty of color, but also to orient them and provide mentoring support.

Facilities. The University seeks to improve the quality, function, and safety of its physical infrastructure, especially areas essential to classroom instruction. Particular initiatives include the space management initiative, aimed at relocating programs to space that best supports their activities; raising the level of custodial services to proper standards; assuring proper preventive and scheduled maintenance; and upgrading the Twin Cities campus steam system.

Student initiatives seek to increase students' academic success as well as satisfaction with their university careers. Initiatives include:

Financial aid. Over the past two years, the University has moved to counter the increasing gap between students' costs and their financial aid with a number of measures, including increasing both need- and merit-based aid. The University intends to add \$5.5 million to its programmatic aid programs over the next biennium.

Diversity initiatives. The University seeks to increase the number of its students of color with initiatives that include building community and alumni relationships, as well as a strong and supportive campus community.

Process redesign initiatives will put in place efficient, user-friendly systems to support teaching, research, and service. These include:

Investments in technology, including systems, information resources, and faculty, staff, and student support;

Enrollment management to bring student enrollment in line with diversity and student readiness goals;

Information systems and management process improvements to reduce costs and increase efficiency and productivity;

Student systems to provide more effective, student-centered support to students, staff, and faculty;

Human resource systems to improve data systems and support and development for job performance;

Grants management systems including continuing the education, training, and reporting systems already implemented;

Master planning to clarify and evaluate decisions that will guide the University in creating a supportive, nurturing, inspiring physical environment;

Facilities utilization, including using new technology to manage space more efficiently;

Resource allocation, particularly the implementation of a process called Incentives for Managed Growth (IMG), designed to place operating decision responsibility at the unit level to the extent possible;

Financial management including modifications and improvements to the CUFS system;

Internal control, through the launching of a model called the Integrated Framework, which emphasizes the principle that control is a shared institutional and individual responsibility.

Academic redesign initiatives are intended to help the University improve the quality of its programs, while maintaining access for the state's citizens. Initiatives are underway in these areas:

Access and excellence initiatives, including:

- undergraduate education, with programs emphasizing writing and communication, technology utilization, study abroad, and research and internship opportunities;
- lifelong learning, with efforts to implement programs in distance education;
- graduate education, particularly with the implementation of 50 more practitioner-oriented and special master's programs in the Twin Cities and Duluth;
- children and families, particularly with academic units developing programs in areas such as school readiness and family education;
- K-12 opportunities that offer pre-collegiate programs to elementary, middle, and high school students;
- interdisciplinary outreach programs that strengthen outreach efforts in areas such as public policy, community leadership and development, the environment, and technology transfer;
- Minnesota in the World, a program to build key faculty competency in areas of emerging economic and political importance, especially east Asia;
- improving economic competitiveness, by strengthening technical research and research-based outreach programs;
- reorganizing the biological sciences, including undergraduate and graduate programs, and departmental streamlining.

Semester conversion. In one of the largest efforts it has ever undertaken, the University will change to semesters in fall 1999, a process that must accommodate more than 600 degree programs and more than 20,000 courses.

Academic affairs. In an effort to focus the responsibilities and resources of the units that make up Academic Affairs, the University will restructure central functions, reengineer University College, invest in technology, and streamline library services through purchase of electronic materials and cooperation with other state libraries and Big Ten institutions.

EVALUATION: CRITICAL MEASURES

Fourteen critical measures guide planning toward these goals. These measures assess institutional, campus, and unit performance and progress in terms of faculty/staff experience; facilities infrastructure; scholarship/research/artistic accomplishments; sponsored funding; characteristics of entering students; the student experience; investment per student; graduation rate; post-graduation experience; interaction with society; investment and voluntary support; overall satisfaction of Minnesota citizens; underrepresented groups/diversity; and information resources.

Related planning materials, including the University's Performance Report and the U2000 Critical Measures can be found on the Office of Planning and Analysis homepage:

<http://www.opa.pres.umn.edu/>